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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/396,005	09/13/1999	KHAI HEE KWAN		6815

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KHAI HEE KWAN
315 AVOCA STREET
RANDWICK, 2031
AUSTRALIA

EXAMINER

LE, DAVID Q

ART UNIT PAPER NUMBER

3621

DATE MAILED: 04/20/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/396,005

Applicant(s)

KWAN, KHAI HEE

Examiner

David Q Le

Art Unit

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MLW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 December 2003.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 13-31 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 13-31 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☒ All b) ☐ Some * c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Examiner's note

1. The Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claims, other passages and figures apply as well. It is requested from the Applicant, in preparing the response, to consider fully the entire references as well as the context of all references passages as potentially teaching all or part of the claimed inventions.

Status of Claims

2. Per the Amendment filed on 18 December 2003:
Claims 14, 15, 16, 19 and 20 were amended.
Claims 13-31 remain pending.

Priority

3. In the Remarks presented with the Amendment filed on 18 December 2003, Applicant inquires about a declaration under 37 CFR 1.131 regarding prior invention. Such priority was acknowledged in the previous office action, and hereby restated:

An official copy of an application filed in Australia on 08/11/1999 from which this Application claims priority was received on 16 May 2003 as required by 35 U.S.C. 119(b). Acknowledgement of this priority claim is therefore made of Applicant's claim for foreign priority based on this Australian application.

Response to Remarks & Request for Consideration

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4. Applicant's arguments with respect to the previous claims 13-25 have been considered but are moot in view of the new ground(s) of rejection as applied to the amended claims 13-31.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. **Claims 13, 15-17, 19-22, 24-25 and 29-31** are rejected under 35 U.S.C. 102(b) as being anticipated by Rosen, US Patent No. 5,455,407.

As per **claims 13, 17, 22**.

Rosen discloses (Abstract; Background/Summary of the Invention; Fig 3-10; associated text):

In an Internet system having a plurality of computers connected by a network, a user to user payment [method, system, and computer executable software on storage media] executable at host server (Fig 34-36c, 36-36a and 46-46a, associated text; C2, L42-45: "common payor to payee"; C8, L52-62: "a subscriber will not be required to maintain a bank account") having a database to transfer funds over a network, under payer's control (Abstract; Background of the Invention; Summary of the Invention) comprising:

- prompting payer to input payer's account identifier and password;
- authenticating the said payer's account identifier and password for validity;
- prompting the payer to input payee's account identifier and fund transfer information;
- receiving said payee's account identifier and fund transfer information;

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upon authenticating the payee's account identifier, instantly crediting the fund to payee's account if the balance in the database associated with the payer account identifier and password is more than the fund for transfer; and

instantly debiting the balance associated with the payer's account identifier and password in the database with the said fund transferred to payee's account and

Rosen does not recite "transfer made without interacting with payee" but he clearly teaches that his system may be fully automated (C4, L49-52), and as such, inherently has the capability to effect payment deposits to a payee's account without intervention from the payee.

As per claims 15, 19, 24.

Rosen discloses (see all above citations; Fig 7, associated text; C10, L25 – C17, L25; C17, L28 – C18, L67):

In an Internet system having a plurality of computers connected by a network, a [method, system, and computer executable software on storage media] using a for payment to a merchant over a network comprising:

at the merchant server, receiving a request for payment for good or services by purchaser;

generating a first dynamic transaction code to the host server;

generating a second dynamic transaction code to the purchaser'

at the host server having a database, receiving the first transaction code from the merchant server;

requesting purchaser to provide second transaction code and security code from payment card;

receiving the second transaction code and security code as input by purchaser;

authenticating the first transaction code and second transaction code jointly at said host server;

authenticating the said security code for validity;

upon authentication of the security code, instantly crediting the amount requested for payment to merchant's account if the balance in the database associated with the security code is more than the requested amount for payment; and

notifying merchant server and purchaser; and

Rosen does not recite

first transaction code and second transaction code are distinct.

But his teachings about exercising the utmost care with encryption techniques, authentication, authorization methods inherently mean that each key, code, identifying numbers, signatures, certificates,

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etc. used in transactions executed by his system will inherently be unique, in order to maintain the highest degree of security and safety.

As per Claims 16, 20, 25

Rosen further describe all the steps recited in these claims (see all above citations; Fig 36, 46, associated text):

... said amount payable is in a currency other than the prepaid card's currency further comprising steps at the host server:

requesting purchaser to convert the equivalent amount in prepaid card's currency to the requested foreign currency amount if the balance in the database is more than the requested equivalent foreign currency amount for payment;

receiving approval by purchaser for converting the said equivalent amount to the requested foreign currency amount for the transaction;

instantly crediting the converted amount in foreign currency for payment to merchant's account;
and

instantly debiting the said credited amount equivalent in prepaid card's currency associate with the purchaser's prepaid card account in the database.

It would have been inherent for one ordinarily skilled in the art to have included the capability for a payer to approve currency conversion rates prior to agreeing to a transaction, so as to make sure that no dispute would later arise as to the fairness of such conversion operations.

As per claim 21.

Rosen further discloses

encrypted purchase information, amount, merchant information and a fixed period of expectancy (see all above citations).

As per claims 29-31

Rosen further discloses (see all above citations):

said fund is prepaid or stored value.

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Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 14, 18, 23 and 26-28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rosen, US Patent No. 5,455,407.

As per claims 14, 18, 23.

Rosen further discloses (see all above citations):

a step of storing and linking prepaid card amount to a user account identifier in the host server over a network comprising:

prompting user to enter security code associated with the prepaid card;

receiving the security code;

determining if the security code is valid;

determining if any identifier account is associated with the security code;

if there is no account identifier associated with said code then prompt user to enter a unique user account identifier, password, storage period and currency to be stored;

receiving the said user account identifier, password, storage period and currency as input by user;

determining said user account identifier and password for uniqueness against other stored user account identifiers and passwords;

calculating the stored value;

output stored value to user; and

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if said user account identifier, password combination is unique and stored value is acceptable to user then add said account identifier and password into database linked with the stored value amount;

Rosen did not recite

if said user account identifier, password combination is not unique and stored value is acceptable to user then link the stored value amount to said existing user account identifier and password in the database; and

whereby upon completion of storing and linking said prepaid card is valueless.

However that is an obvious step which would have been inherent in a system based on Rosen. It would serve to thwart any possible fraudulent use of an existing user's account upon the pretext of adding more stored value to it and activating a new prepaid card. It would have also been obvious for one ordinarily skilled in the art at the time the invention was made to have included an activation method as claimed in a system based on Rosen in order to provide a stronger protection element to the debit/stored value card system: the card user will be assured that only once properly activated by him/herself, will the account associated with the card be accessible for transactions.

As per **claims 26-28**.

Rosen does not describe the formula used in a currency exchange operation as recited:

..calculation of the stored value is based at least in part on the formula below:

Stored value = $B * D * L * C * R$

Where B is the face value of the prepaid card, D is a factor related to storage period, L is a factor related to the value and loyalty of the customer that is based on his/her past purchases or prepaid cards, C is a factor relating to the cost of money and R is a factor concerning flexibility in currency stored.

However it is well known in the art that fees and/or costs for financial services rendered by institutions to clients vary from institution to institution and also from client to client within each institution, depending on many factors, including the size of the institution, its business goals, the desirability and loyalty of the client to the institution, etc. A conversion rate would follow the same principles and would inherently be different from institution to another, and maybe for one client versus another within an institution. Therefore it would have been obvious to one ordinarily skilled in the art to use a conversion formula structured as recited in these claims in order to reward clients for loyalty, amount of past

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business, and other positive factors and provide them incentives for continued patronage of each such institution.

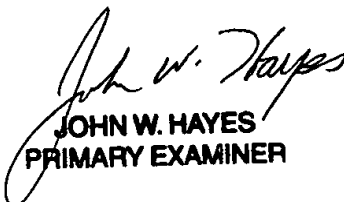
Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to David Q Le whose telephone number is 703-305-4567. The examiner can normally be reached on 8:30am-5:30pm Mo-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on 703-305-9768. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

DQL


JOHN W. HAYES
PRIMARY EXAMINER